

**WAYNE COUNTY EMERGENCY
COMMUNICATIONS DISTRICT**

**FINANCIAL STATEMENTS
AND AUDITOR'S REPORTS**

FOR THE YEAR ENDED JUNE 30, 2009

**Ronnie L. Clay
Certified Public Accountant
740 Johnson's Crossroad
Jacks Creek, TN 38347**

**WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
JUNE 30, 2009**

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INTRODUCTORY SECTION

WAYNE COUNTY EMERGENCY COMMUNICATION DISTRICT
Roster of Management Officials
and Board Members
(Unaudited)

DIRECTOR:

Jimmy Turnbow

BOARD OF DIRECTORS:

Frank Quigley, Chairman

Jerry Butler

Janice Harris

Keith Wilbanks

Dana Deem

Amanda Wilson

Gary Cook

Melba Staggs

Mike Smith

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Wayne County Emergency Communications District financial performance provides an overview of the District's financial activities for the year ended June 30, 2009. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of fund financial statements. These financial statements provide information about the activities and operations of the District.

The Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Fund Net Assets, and the Statement of Cash Flows

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Fund Net Assets, and the Statement of Cash Flows report information about the District's activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These statements report the District's net assets, changes in net assets, and cash flows. You can think of the District's net assets - the difference between assets and liabilities - as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating.

THE DISTRICT'S CONDENSED FINANCIAL INFORMATION

The District's activities are reported using a proprietary (business-type) fund. For the years ended June 30, 2008, and 2009, net assets changed as follows:

	June 30, 2008	June 30, 2009	% increase (decr.)
Beginning net assets	\$ 456,191.93	\$ 633,090.30	
Increase in net assets	176,898.37	31,593.80	4.99%
Ending net assets	\$ 633,090.30	\$ 664,684.10	

This represents an increase of 38.78% for 2008, and an increase of 4.99% for 2009. The 38.78% increase for 2008 was due, in large part, to state ECB grants.

The ending net assets for 2009 are presented in three categories in the Statement of Net Assets as follows:

Invested in capital assets	\$ 947,631.03
Restricted	0.00
Unrestricted	(282,946.93)
	\$ 664,684.10

Unrestricted net assets represents the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

The following schedules present a summary of revenue and expenses for the year ended June 30, 2009, and the amount and percentage of increases and decreases in relation to the prior year.

	June 30, 2009 Amount	June 30, 2008 Amount	Increase (Decrease) from 2008 FYE	Percent Increase (Decrease)
Operating revenue	231,185.82	223,550.22	7,635.60	3.42%
Non-operating revenue	3,947.11	117,478.58	(113,531.47)	-96.64% *
Expenses	203,539.13	164,130.43	39,408.70	24.01% **

*The large decrease in non-operating revenue is because of decreased state ECB grants.

**The increase in expenses is because of additional salaries for the director, who was fulltime for the entire year, bonuses paid to dispatchers, and increased depreciation expense on new building and equipment.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

BUDGETARY HIGHLIGHTS

Total operating revenue was over budget by \$4,185.82. Total operating expenses before depreciation were under budget by \$18,821.85. Net operating income was under budget by \$ 27,603.31, because of depreciation which was not budgeted.

CAPITAL ASSETS

At June 30, 2009, the District had \$947,631.03 invested in capital assets, net of accumulated depreciation. A schedule of these assets follows.

	Cost	Accum. Depr.	Net
Depreciable assets:			
Equipment	\$ 337,104.90	\$ (238,207.85)	\$ 98,897.05
Vehicles	17,746.00	(17,745.72)	0.28
Maps	32,227.00	(28,328.76)	3,898.24
Building	820,294.09	(30,702.55)	789,591.54
	<u>1,207,371.99</u>	<u>(314,984.88)</u>	<u>892,387.11</u>
Other capital assets:			
Land	55,243.92		55,243.92
Totals	\$ 1,262,615.91	\$ (314,984.88)	\$ 947,631.03

Additions during the year: Equipment \$1,911.96, Building \$1,559.49, and land cost \$3,364.63

LONG-TERM DEBT

At June 30, 2009, the District was indebted to Bank of America in the amount of \$609,977 @ 4.55% interest. This amount is payable over a twenty year period, with nineteen years remaining at June 30, 2008. Principal payments are due as follows:

FYE June 30,	Amount due per year	Total due
2010-2014	25,000.00	125,000.00
2015-2018	30,000.00	120,000.00
2019-2021	35,000.00	105,000.00
2022-2024	40,000.00	120,000.00
2025-2026	45,000.00	90,000.00
2027	49,977.00	49,977.00
		<u>\$ 609,977.00</u>

This debt is for the construction of a new building which the District now occupies.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

We do not anticipate any economic factors which would have a material effect on operations for the next fiscal year ending June 30, 2010. The budget for fiscal year 2010 does not include any large or unusual items in addition to normal operating expenses.

FINANCIAL SECTION

RONNIE L. CLAY
Certified Public Accountant
740 Johnson's Crossroad
Jacks Creek, TN 38347

INDEPENDENT AUDITORS' REPORT

Board of Directors
Wayne County Emergency Communications District
Waynesboro, Tennessee

We have audited the accompanying financial statements of Wayne County Emergency Communications District (E911), a component of Wayne County, Tennessee, as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of Wayne County Emergency Communications District's (E911) management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only Wayne County Emergency Communications District and are not intended to present fairly the financial position of Wayne County, Tennessee, and the results of its operations and cash flows of its proprietary fund in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wayne County Emergency Communications District (E911), as of June 30, 2009, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, presented as required supplementary information on pages 5-6, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements of Wayne County Emergency Communications District. The introductory section and the supplementary information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in these sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2010, on our consideration of Wayne County Emergency Communications District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



Jacks Creek, TN
April 30, 2010

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Statement of Net Assets
Proprietary Fund
June 30, 2009

ASSETS

Current Assets:		
Cash in Bank: Checking	\$	59,454.83
Petty Cash		23.88
Total Cash and Cash Equivalents		<hr/>
	\$	59,478.71
Certificates of Deposit		241,023.08
Revenue Receivable		38,698.32
Prepaid Expenses		4,265.00
Inventory		4,060.00
Total Current Assets		<hr/>
	\$	347,525.11
Non-current assets:		
Land		55,243.92
Depreciable assets:		
Building	820,294.09	
Less Accum. Depreciation	(30,702.55)	
Equipment	337,104.90	
Less Accum. Depreciation	(238,207.85)	
Vehicles	17,746.00	
Less Accum. Depreciation	(17,745.72)	
Maps	32,227.00	
Less Accum. Depreciation	(28,328.76)	
Net depreciable assets		<hr/>
		892,387.11
Total non-current assets		<hr/>
		947,631.03
Total Assets		<hr/>
		1,295,156.14

LIABILITIES

Current Liabilities:		
Accounts Payable	\$	2,447.59
Wages Payable		3,888.04
Payroll Taxes Payable		483.47
Accrued Interest Payable		11,487.05
Compensated Absences Payable		2,188.64
Current portion of long-term debt		25,000.00
Total Current Liabilities		<hr/>
	\$	45,494.79
Noncurrent Liabilities		
Notes Payable		584,977.25
Total Liabilities		<hr/>
		630,472.04
NET ASSETS		
Invested in capital assets		947,631.03
Restricted		0.00
Unrestricted		(282,946.93)
Total Net Assets		<hr/>
	\$	664,684.10

The accompanying notes are an integral part of these financial statements.

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
Year Ended June 30, 2009

Operating Revenue:

Emergency Telephone Service Charge	\$	101,178.69
State ECB - Shared Wireless Charge	\$	43,838.37
State ECB - Operational Funding		86,168.76
Total Operating Revenue	\$	231,185.82

Operating Expenses:

Salaries and Wages:

Salary, director	47,363.76
Salary, administrative personnel	25,348.24
Pay bonuses	12,563.15
Total Salaries and Wages	85,275.15

Employee Benefits:

Social security taxes	5,588.18
Medicare taxes	1,213.63
Unemployment compensation taxes	184.51
Total Employee Benefits	6,986.32

Contracted Services:

Mapping expense	14.99
Advertising	212.66
Auditing services	3,166.00
Accounting services	120.00
Contracts with private agencies	1,125.00
Fees paid to service providers	1,644.29
Legal services	56.25
Maintenance agreements	10,915.17
NCIC/TBI/TIES expenses	2,157.50
Pest control	165.00
Maintenance & repairs - communications equipment	170.00
Maint. & repairs, buildings & facilities	1,472.68
Maintenance & repairs - office equipment	165.45
Maint. & repairs, vehicles	606.51
Fuel - Vehicles	519.57
Maintenance & upkeep - grounds	545.00
Total contracted services	23,056.07

Supplies & Materials:

Office supplies	1,306.10
Custodial supplies	281.16
Postage	218.65
Small equipment purchases	562.68
Uniforms & shirts	367.40
Utilities - electric	8,165.02
Utilities - water	722.78
General Telephone	8,957.78
Wireless locator charges	3,786.08
Total supplies & materials	24,367.65

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
Year Ended June 30, 2009

Other Charges:	
Bank charges	45.22
Board meeting expense	364.21
Dues and memberships	681.00
Insurance - building and contents	6,569.50
Insurance, vehicles	1,030.50
Licenses and fees	150.25
Premiums on surety bonds	375.00
Public education	1,046.92
Training expenses	1,255.92
Travel expenses	1,724.44
Total other charges	<u>13,242.96</u>
Operating Expenses, before depreciation	<u>152,928.15</u>
Depreciation	50,610.98
Total operating expenses	<u>203,539.13</u>
Net Operating Income	<u>27,646.69</u>
Non-operating revenue (expense):	
Interest income	6,687.44
State ECB grants	18,343.16
Interest expense	(28,283.49)
Rental income	7,200.00
Total non-operating revenue (expense)	<u>3,947.11</u>
Increase (decrease) in net assets	<u>31,593.80</u>
Net assets, beginning of year	633,090.30
Net assets, end of year	<u>\$ 664,684.10</u>

The accompanying notes are an integral part of these financial statements.

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Statement of Cash Flows
Proprietary Fund
Year ended June 30, 2009

Cash flows from operating activities:	
Receipts from telephone companies	\$ 101,475.76
Receipts from wireless charges	34,571.68
Receipts from TECB operational funding	71,807.30
Rental income	7,200.00
Payments to suppliers for goods and services	(59,220.23)
Payments for payroll, taxes, and related benefits	(89,722.14)
Net cash provided (used) by operating activities	<u>\$ 66,112.37</u>
Cash flows from noncapital financing activities:	
Grants/reimbursements from State ECB	19,294.16
Net cash provided (used) by noncapital financing activities	<u>19,294.16</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	
Principal payments on long-term debt	(6,836.08)
Interest paid on long-term debt	(20,022.75)
Net cash provided (used) by capital and related financing activities	<u>(28,641.73)</u>
	<u>(55,500.56)</u>
Cash flows from investing activities:	
Interest income	
(Increase) decrease in certificates of deposit	6,687.44
Net cash provided (used) by investing activities:	<u>(38,979.91)</u>
	<u>(32,292.47)</u>
Net increase (decrease) in cash and cash equivalents	<u>(2,386.50)</u>
Balances, beginning of year	61,865.21
Balances, end of year	<u>\$ 59,478.71</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 27,646.69
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Cash flows reported in other categories: Rental income	7,200.00
Depreciation expense	50,610.98
Change in assets and liabilities:	
Receivables	(23,331.08)
Prepaid expenses	(180.00)
Inventory	
Accounts payable	1,626.45
Accrued expenses	2,539.33
Net cash provided by operating activities	<u>\$ 66,112.37</u>

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Unit

The Wayne County Emergency Communications District is a component unit of Wayne County, Tennessee. The Wayne County Executive appoints the District's Board of Directors.

The County has the statutory authority to significantly influence operations. This authority includes, but is not limited to, control over all assets, including the facilities and properties, short-term and long-term borrowing, and signing contracts.

Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The District accounts for its activities using the accrual basis of accounting. Revenue is recognized when it is earned, and expenses are recognized when they are incurred.

Income Taxes

The District is exempt from federal and state income taxes since it is a political subdivision of the State of Tennessee.

Budget and Budgetary Accounting

Budget is adopted on a basis consistent with generally accepted accounting principles.

The budget is prepared by the District's director, and is approved and adopted by the board.

As an extension of the formal budgetary process, the Board may transfer or appropriate additional funds for expenses not anticipated at the time of budget adoption. All unexpended appropriations lapse at the end of the fiscal year unless the Board authorizes retention.

The policy is to not allow expenses to exceed budgetary amounts at the individual line-item expense level without obtaining additional appropriation approval from the Board. For the current year, several line items were over budget, but operating expenses in total, before depreciation, were under budget by \$18,821.85.

Deposits and Investments

The District considers cash on hand, demand deposits and all highly liquid investments with maturity of three months or less from date acquired to be cash equivalents. State statutes authorize the District to invest in obligations of the U. S. Treasury, certificates of deposit and the pooled investment fund established by the State.

Cash and cash equivalents at June 30, 2009, \$59,478.71, consisted of demand deposits and a small petty cash fund.

**WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009**

Property and Equipment

Property and equipment are stated at cost. Depreciation is calculated using the straight-line method at rates adequate to allocate the cost of applicable assets over their expected useful lives. The estimated useful lives are as follows:

Equipment & other fixtures	3-15 years
Vehicles	7 years
Buildings	40 years

Interest cost incurred on short-term interim financing during the construction period of fixed assets is capitalized as a part of the cost of asset.

Accumulated Vacation and Sick Leave

The District has no written policy relative to vacation and sick leave. There are two full-time employees, the director and one administrative employee, and each receives two weeks of paid vacation each year. Accrued vacation pay at June 30, 2009, was \$ 2,188.64.

Sick leave accumulates at one day per month. Employees are not paid for accumulated sick leave upon termination.

NOTE 2- GEOGRAPHIC OPERATIONS

The District's operations are within Wayne County, Tennessee, and it derives its revenue primarily from user charges to customers within Wayne County, Tennessee.

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009

NOTE 3 - CASH AND INVESTMENTS

At June 30, 2009, cash and cash equivalents and investments consisted of the following:

Cash and cash equivalents

Checking accounts:

Wayne County Bank	\$	59,454.83
The Peoples Bank of Clifton		0.00
Petty cash		23.88
Total cash and cash equivalents	\$	59,478.71

Investments

Certificates of deposit:

	Cert. #	Interest rate	Balance at June 30, 2008	Issue date	Maturity date
Wayne County Bank	114566	2.55%	\$ 100,000.00	6/30/2009	12/30/2009
	63533	2.55%	\$ 60,000.00	6/30/2009	1/13/2010
The Peoples Bank of Clifton:	50921	2.50%	81,023.08	1/22/2009	7/22/2009
Total certificates of deposit			\$ 241,023.08		

The District's cash in bank and certificates of deposit were entirely covered by FDIC insurance for the year ended June 30, 2009.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District could possibly lose its money. The District does not have a deposit policy for custodial credit risk. At June 30, 2009, the District's total deposits were covered by FDIC insurance.

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009

NOTE 4 - FIXED ASSETS

A summary of changes in fixed assets for the fiscal year is as follows:

	Balance June 30, 2008	Additions	Retirements	Balance June 30, 2009
Land	\$ 51,879.29	\$ 3,364.63		\$ 55,243.92
Construction in progress, bldg.	0.00			0.00
Depreciable assets:				
Building	818,734.60	1,559.49		820,294.09
Accumulated depr., building	(10,234.18)	(20,468.37)		(30,702.55)
	808,500.42	(18,908.88)	0.00	789,591.54
Equipment	335,192.94	1,911.96		337,104.90
Accumulated depr., equipment	(210,213.70)	(27,994.15)		(238,207.85)
	124,979.24	(26,082.19)	0.00	98,897.05
Vehicles	17,746.00			17,746.00
Accumulated depr., vehicles	(17,745.72)	0.00		(17,745.72)
Net vehicles	0.28	0.00	0.00	0.28
Maps	32,227.00			32,227.00
Accumulated depr., maps	(26,180.30)	(2,148.46)		(28,328.76)
Net maps	6,046.70	(2,148.46)	0.00	3,898.24
Total fixed assets	1,255,779.83	6,836.08	0.00	1,262,615.91
Total accumulated depreciation	(264,373.90)	(50,610.98)	0.00	(314,984.88)
Net fixed assets	\$ 991,405.93	\$ (43,774.90)	\$ -	\$ 947,631.03

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009

NOTE 5 - LONG-TERM DEBT

The District is indebted to Bank of America in the amount of \$609,977 at June 30, 2009. This debt bears interest at the rate of 4.55%, and is payable over a twenty year period with eighteen years remaining at June 30, 2009. This debt is for the construction of a new building which the District now occupies. Principal and interest payments to maturity are as follows:

FYE June 30,	Principal	Interest
2010	25,000.00	27,755.00
2011	25,000.00	26,617.50
2012	25,000.00	25,480.00
2013	25,000.00	24,342.50
2014	25,000.00	23,205.00
2015	30,000.00	22,067.50
2016	30,000.00	20,702.50
2017	30,000.00	19,337.50
2018	30,000.00	17,972.50
2019	35,000.00	16,607.50
2020	35,000.00	15,015.00
2021	35,000.00	13,422.50
2022	40,000.00	11,830.00
2023	40,000.00	10,010.00
2024	40,000.00	8,190.00
2025	45,000.00	6,370.00
2026	45,000.00	4,322.50
2027	49,977.00	2,275.00
Totals	\$ 609,977.00	\$ 295,522.50

**WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009**

NOTE 6- RELATIONS WITH OTHER GOVERNMENTS

Dispatchers for the district are employees of, and are paid by, the county.

NOTE 7- FASB PRONOUNCEMENTS SUBSEQUENT TO NOVEMBER 30, 1989

Proprietary funds have the option of consistently following or not following Financial Accounting Standards Board pronouncements issued subsequent to November 30, 1989. The Wayne County Emergency Communications District selected the option of not following the pronouncements subsequent to November 30, 1989.

NOTE 8- RISK MANAGEMENT CLAIMS AND JUDGMENTS

Property and liability coverage, and public official bonds, are carried by the district in the form of commercial insurance. Settlement amounts have not exceeded insurance coverage in any of the three past years. The district does not record risk management activities in a separate fund.

NOTE 9 – SEGMENT INFORMATION FOR ENTERPRISE FUND

Additions to fixed assets, cost	\$ 6,836
Current year depreciation expense	(50,611)
Net Working Capital	302,030

SUPPLEMENTARY INFORMATION

WAYNE COUNTY EMERGENCY COMMUNICATION DISTRICT
P. O. BOX 911
WAYNESBORO, TENNESSEE 38485
JUNE 30, 2009
(Unaudited)

SCHEDULE OF REQUIRED INFORMATION

- A. The number of public safety answering points (PSAP)

One (1)

- B. The address of each PSAP

911 Andrew Jackson Dr.
Waynesboro, Tennessee 38485

- C. The type of system/equipment and database used by each PSAP

Direct dispatch system
Automatic Number Identification (ANI)
Automatic Location Identification (ALI)

- D. The name, address, telephone number, and fax number of the director of the Emergency communication district

Jimmy Turnbow
P. O. Box 911
Waynesboro, TN 38485

Phone 931-722-7911
Fax 931-722-9144

- E. The name, address, telephone number and fax number of the chairman of the Emergency communication district

Frank Quigley
3359 Chisolm Rd.
Iron City, TN
Phone 931-724-5546
Fax 731-989-7473

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Budgetary Comparison Schedule
Year Ended June 30, 2009
(Unaudited)

	Actual	Budget	Variance Favorable (Unfavorable)
Operating Revenue:			
Emergency Telephone Service Charge	\$ 101,178.69	\$105,000.00	\$ (3,821.31)
State ECB - Shared Wireless Charge	43,838.37	40,000.00	3,838.37
State ECB - Operational Funding	86,168.76	82,000.00	4,168.76
Total Operating Revenue	\$ 231,185.82	\$ 227,000.00	4,185.82
Operating Expenses:			
Salaries and Wages:			
Salary, director	47,363.76	\$46,900.00	(463.76)
Salary, administrative personnel	25,348.24	25,500.00	151.76
Pay bonuses	12,563.15	15,000.00	2,436.85
Total Salaries and Wages	85,275.15	87,400.00	2,124.85
Employee Benefits:			
Social security taxes	5,588.18	5,300.00	(288.18)
Medicare taxes	1,213.63	1,300.00	86.37
Unemployment compensation taxes	184.51	200.00	15.49
Total Employee Benefits	6,986.32	6,800.00	(186.32)
Contracted Services:			
Mapping expense	14.99	1,000.00	985.01
Advertising	212.66	1,000.00	787.34
Auditing services	3,166.00	3,500.00	334.00
Accounting services	120.00	200.00	80.00
Architects		500.00	500.00
Contracts with private agencies	1,125.00	5,700.00	4,575.00
Fees paid to service providers	1,644.29	1,600.00	(44.29)
Legal services	56.25	500.00	443.75
Maintenance agreements	10,915.17	11,000.00	84.83
NCIC/TBI/TIES expenses	2,157.50	2,400.00	242.50
Other consultants		500.00	500.00
Pest control	165.00	500.00	335.00
Rent - Building & facilities		200.00	200.00
Rent - Office equipment		200.00	200.00
Maintenance & repairs - communications equipment	170.00	200.00	30.00
Maint. & repairs, buildings & facilities	1,472.68	1,000.00	(472.68)
Maintenance & repairs - office equipment	165.45	500.00	334.55
Maint. & repairs, vehicles	606.51	1,800.00	1,193.49
Fuel - Vehicles	519.57	600.00	80.43
Maintenance & upkeep - grounds	545.00	1,000.00	455.00
Total contracted services	23,056.07	33,900.00	10,843.93
Supplies & Materials:			
Office supplies	1,306.10	1,000.00	(306.10)
Custodial supplies	281.16	300.00	18.84
Postage	218.65	300.00	81.35
Small equipment purchases	562.68	300.00	(262.68)
Uniforms & shirts	367.40	600.00	232.60
Utilities - electric	8,165.02	8,200.00	34.98
Utilities - water	722.78	1,000.00	277.22
General Telephone	8,957.78	9,000.00	42.22
Wireless locator charges	3,786.08	4,500.00	713.92
Total supplies & materials	24,367.65	25,200.00	832.35

WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Budgetary Comparison Schedule
Year Ended June 30, 2009

Other Charges:			
Bank charges	45.22	0.00	(45.22)
Other misc. supplies		300.00	300.00
Board meeting expense	364.21	500.00	135.79
Dues and memberships	681.00	300.00	(381.00)
Insurance - building and contents	6,569.50	7,500.00	930.50
Insurance, vehicles	1,030.50	1,100.00	69.50
Licenses and fees	150.25	300.00	149.75
Premiums on surety bonds	375.00	800.00	425.00
Public education	1,046.92	1,100.00	53.08
Training expenses	1,255.92	3,500.00	2,244.08
Other charges		1,250.00	1,250.00
Travel expenses	1,724.44	1,800.00	75.56
Total other charges	13,242.96	18,450.00	5,207.04
Operating Expenses, before depreciation	152,928.15	171,750.00	18,821.85
Depreciation	50,610.98		(50,610.98)
Total operating expenses	203,539.13	171,750.00	(31,789.13)
Net Operating Income	27,646.69	55,250.00	(27,603.31)
Non-operating revenue (expense):			
Interest income	6,687.44	5,000.00	1,687.44
State ECB grants	18,343.16		18,343.16
Interest expense	(28,283.49)	(15,000.00)	(13,283.49)
Misc. income		1,000.00	(1,000.00)
Rental income	7,200.00	5,000.00	2,200.00
Total non-operating revenue (expense)	3,947.11	(4,000.00)	7,947.11
Increase (decrease) in net assets	31,593.80	51,250.00	(19,656.20)
Net assets, beginning of year	633,090.30	633,090.30	0.00
Net assets, end of year	\$ 664,684.10	\$ 684,340.30	(19,656.20)

The accompanying notes are an integral part of these financial statements.

REPORT ON INTERNAL CONTROL AND ON COMPLIANCE

**RONNIE L. CLAY
CERTIFIED PUBLIC ACCOUNTANT
740 JOHNSON'S CROSSROAD
JACKS CREEK, TN 38347**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Wayne County Emergency Communications District
Waynesboro, Tennessee

We have audited the financial statements of Wayne County Emergency Communications District (E911), a component unit of Wayne County, TN, as of and for the year ended June 30, 2009, and have issued our report thereon dated April 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Wayne County Emergency Communications District's (E911) internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wayne County Emergency Communications District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Wayne County Emergency Communications District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Wayne County Emergency Communications District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Wayne County Emergency Communications District's financial statements that is more than inconsequential will not be prevented or detected by the Wayne County Emergency Communications District's internal control. We consider the deficiency described in the accompanying schedule of findings and responses (finding #09-1) to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Wayne County Emergency Communications District's internal control.

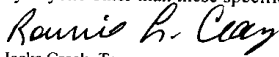
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance

As part of obtaining reasonable assurance about whether Wayne County Emergency Communications District's (E911) financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item #09-1.

Wayne County Emergency Communications District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Wayne County Emergency Communications District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the district board of directors, others within the organization, and the Comptroller of the Treasury of the State of Tennessee, and is not intended to be and should not be used by anyone other than these specified parties.



Jacks Creek, Tennessee
April 30, 2010

**WAYNE COUNTY EMERGENCY COMMUNICATION DISTRICT
P.O. BOX 911
WAYNESBORO, TENNESSEE 38485
JUNE 30, 2009**

SCHEDULE OF FINDINGS AND RESPONSES

CURRENT YEAR FINDINGS:

09-1: Budgetary control

The district's operating expenses in total, before depreciation, were under budget; but several line items were over budget.

Management's response: We will try to be more thorough in amending the budget to cover all operating expenses.

**WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT
DISPOSITION OF PRIOR YEAR FINDINGS
JUNE 30, 2009**

Finding 08-1: Custodial credit risk

The District had a small amount of deposits that were not insured or collateralized at June 30, 2008.

Action taken:

The District's deposits were covered by FDIC insurance for the year ended June 30, 2009.